



Christopher T. Ulmer
Senior Vice President

July 10, 2018

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington D.C. 20554

Re: *Connect America Fund*, WC Docket No. 10-90; 2018 FCC Form 481

Dear Ms. Dortch:

ICORE Consulting, on behalf of Pattersonville Telephone Company ("the Company") hereby submits to the Commission a copy of the Company's completed Form 481¹. Certain portions of the Form 481 filing include information that is confidential in nature. Specifically, the section entitled "Rate of Return Carrier Additional Information"² should be accorded confidential treatment. Attached please find a statement of the reasons for withholding the redacted materials from public inspection pursuant to 47 CFR § 0.459.

Thank you for your attention to this matter. Should you or any member of the Commission Staff have any questions or comments, please do not hesitate to contact us at your convenience.

Sincerely,

A large black rectangular redaction box covering the signature of Christopher T. Ulmer.

Senior Vice President

¹ This filing is required to comply with 47 CFR §§ 54.313 and 54.422(c).

² The financial reports section of FCC Form 481 is identified at the Universal Service Administrative Company ("USAC") website as "Section 3005" in the downloadable version and as "Section 3000" in the online filing version at the same USAC website. <http://www.usac.org/hc/tools/forms.aspx>. The same identical financial information is required in both. The request for confidentiality applies regardless of whether the form filled out employs the 3005 or 3000 designation.

ICORE Consulting, LLC
326 South 2nd Street
Emmaus, PA 18049

Phone: (610) 928-3944
Fax: (610) 928-5036
www.icorellc.com

**CONFIDENTIALITY REQUEST AND STATEMENT OF JUSTIFICATION
IN COMPLIANCE WITH 47 C.F.R. §0459(b)**

Pattersonville Telephone Company (“Company”) is a small, privately held rural local exchange company based in Ohio. The Company requests confidential treatment of certain information being provided to the Commission in its 2018 FCC Form 481. The information is competitively sensitive and its disclosure would have a negative competitive consequence upon the Company were it made publicly available. Such information would not ordinarily be made available to the public and should be afforded confidential treatment under 47 CFR §0.459.

Regulation	Statement of support and compliance with Confidentiality requests
47 CFR §0.459(a)(2)	ICORE Consulting, on behalf of the Company has e-filed, through ECFS, the redacted version and sent via USPS Express Mail the confidential hard copy version (original and one copy) of its 2018 FCC Form 481.
47 CFR §0.459(b)(1)	The Company requests that the documentation required in the section entitled “Rate of Return Carrier Additional Information ³ , which consists of the Company’s financial reports, income statement, balance sheet and cash flow statement, be accorded confidential treatment. The confidential information has been redacted from the public version with black shading.
47 CFR §0.459(b)(2)	The circumstances giving rise to the submission of this confidential information is set forth in 47 CFR § 54.313 and 47 CFR § 54.422.
47 CFR §0.459(b)(3) and §0.459(b)(4)	The information for which confidentiality is sought is financial in nature, including balance sheet, income statement, and statement of cash flows.
47 CFR §0.459(b)(5)	There is robust competition in the telecommunications market today, including wireless, VoIP providers, and cable television providers to name a few. Financial data such as the amount of cash on hand, amount of debt, and revenue by source are all examples of information that competitors would not receive in the normal course of business.
47 CFR §0.459(b)(6)	The financial information is disclosed only within the Company, and furthermore is only provided (1) members of senior management, or (2) those employees who require this information to perform their jobs.
47 CFR §0.459(b)(7)	The Company has not previously released this information to third parties without the execution of a non-disclosure agreement.
47 CFR §0.459(b)(8)	The Company requests that the information be held by the Commission as confidential indefinitely.

³ The financial reports section of FCC Form 481 is identified at the Universal Service Administrative Company (“USAC”) website as “Section 3005” in the downloadable version and as “Section 3000” in the online filing version at the same USAC website. <http://www.usac.org/hc/tools/forms.aspx>. The same identical financial information is required in both. The request for confidentiality applies regardless of whether the form filed out employs the 3005 or 3000 designation.

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2018

<010>	Study Area Code	300651
<015>	Study Area Name	PATTERSONVILLE TEL
<020>	Program Year	2019
<030>	Contact Name: Person USAC should contact with questions about this data	Christopher Ulmer
<035>	Contact Telephone Number: Number of the person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	culmer@icorellc.com
	Form Type	54.313 and 54.422

REDACTED - FOR PUBLIC INSPECTION

[illegible]

<010> Study Area Code 300651

<015> Study Area Name PATTERSONVILLE TEL

<020> Program Year 2019

<030> Contact Name - Person USAC should contact regarding this data Christopher Ulmer

<035> Contact Telephone Number - Number of person identified in data line
<030> 6109283903 ext.

<039> Contact Email Address - Email Address of person identified in data line
<030> culmer@icorellc.com

<400> Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.

<410> Complaints per 1000 customers for fixed voice

<420> Complaints per 1000 customers for mobile voice

(500) Compliance With Service Quality Standards and Consumer Protection Rules
Data Collection Form

FCC Form 481
OMB Control No. 3060-
July 2018

<010>	Study Area Code	300651
<015>	Study Area Name	PATTERSONVILLE TEL
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

<515> Certify compliance with applicable minimum service standards

**(600) Functionality in Emergency Situations
Data Collection Form**

**FCC Form 481
OMB Control No. 3060-098
July 2018**

<010>	Study Area Code	300651
<015>	Study Area Name	PATERSONVILLE TEL
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality in Emergency Situations	3006510H610.pdf

<010>	Study Area Code	300651
<015>	Study Area Name	PATERSONVILLE TEL
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorelle.com

<900> Does the filing entity offer tribal land services? (Y/N) No

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes,No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(5) includes:

Select Yes or No or Not Applicable

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

(1000) Voice and Broadband Service Rate Comparability
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2018

<010>	Study Area Code	300651
<015>	Study Area Name	PATTERSONVILLE TEL
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

<1000>	Voice services rate comparability certification	Yes	
<1010>	Attach detailed description for voice services rate comparability compliance	300651OH1010.pdf	<div>Name of Attached Document</div> <div>Yes - Pricing is no more than the most recent applicable benchmark announced by the Wireline Competition Bureau</div>
<1020>	Broadband comparability certification		
<1030>	Attach detailed description for broadband comparability compliance		<div>Name of Attached Document</div>

(1100) No Terrestrial Backhaul Reporting
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2018

<010>	Study Area Code	300651
<015>	Study Area Name	PATTERSONVILLE TEL
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

<1100>	Certify whether terrestrial backhaul options exist (Y/N)	Yes
--------	----------------------------------------------------------	-----

<1130>	Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).	
--------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

<1140>	Alaska Plan rate-of-return certification (yes, no, or not applicable) of compliance with approved performance plan.	Not Applicable
--------	---------------------------------------------------------------------------------------------------------------------	----------------

(1200) Terms and Condition for Lifeline Customers

Lifeline Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2018

<010>	Study Area Code	300651
<015>	Study Area Name	PATTERSONVILLE TEL
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

<1210>	Terms & Conditions of Voice Telephony Lifeline Plans	<div>300651OH1210.pdf</div>	Name of Attached Document
<1220>	Link to Public Website	HTTP	

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

<1221>	Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,	<input checked="" type="checkbox"/>
<1222>	Details on the number of minutes provided as part of the plan,	<input checked="" type="checkbox"/>
<1223>	Additional charges for toll calls, and rates for each such plan.	<input checked="" type="checkbox"/>

(2005) Price Cap Carrier Additional Documentation		FCC Form 481
Data Collection Form		OMB Control No. 3060-0986/OMB Control No. 3060-0819
Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers		July 2018
<010>	Study Area Code	300651
<015>	Study Area Name	PATTERSONVILLE TEL
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR 54.313(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

<2015>

2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

<2016>

Certification support used to build broadband

Connect America Phase II Reporting {47 CFR § 54.313(e)}

<2017A>

Connect America Fund Phase II recipient?

<2017C>

Total amount of Phase II support, if any, the price cap carrier used for capital expenditures in 2017.

Name of Attached Document Listing
Required Information

<2018>

Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(1)(ii)(A)

<2019>

Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(1)(ii)(C)

(3005) Rate Of Return Carrier Additional Documentation Data Collection Form		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2018
<010>	Study Area Code	300651
<015>	Study Area Name	PATERSONVILLE TEL
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

CAF BLS Reporting

- (3008A) Please indicate whether new locations were deployed during the prior calendar year. (Yes/No)
- (3008B) Please enter the number of new locations deployed in the prior calendar year associated with each of the following speed tiers.
- (3008B1) Number of newly built locations with access to broadband speeds of at least 10/1 Mbps but less than 25/3 Mbps.
- (3008B2) Number of newly built locations with access to broadband speeds of 25/3 Mbps or higher.
- (3008C) Please provide the percentage of deployment across the entire study area.

<010>	Study Area Code	300651
<015>	Study Area Name	PATTERSONVILLE TEL
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

Select from the drop down menu or check the boxes below to note compliance with 54.313(f)(1). Privately held carriers must also certify compliance with the financial reporting requirements set forth in 47 CFR 54.313(f)(2). I further certify that the information reported on this form and the information attached below is accurate.

(3009)	Progress Report on 5 Year Plan Carrier certifies to 54.313(f)(1)(iii)	Not Applicable - No Attachment Required	
(3010A)	Certification of Public Interest Obligations {47 CFR § 54.313(f)(1)(i)}		
(3010B)	Please Provide Attachment	Name of Attached Document Listing Required Information	
(3012A)	Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)}	No - No New Community Anchors	
(3012B)	Please Provide Attachment	Name of Attached Document Listing Required Information	
(3013)	Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)}	(Yes/No)	<input checked="" type="radio"/> <input type="radio"/>
(3014)	If yes, does your company file the RUS annual report	(Yes/No)	<input type="radio"/> <input checked="" type="radio"/>
Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:			
(3015)	Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)	<input type="checkbox"/>	
(3016)	Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows	<input type="checkbox"/>	
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	Name of Attached Document Listing Required Information	
(3018)	If the response is no on line 3014, is your company audited?	(Yes/No)	<input type="radio"/> <input checked="" type="radio"/>
If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:			
(3019)	Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers	<input type="checkbox"/>	
(3020)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows	<input type="checkbox"/>	
(3021)	Management letter and/or audit opinion issued by third party to certify compliance with the requirements of 47 CFR 54.313(f)(2)	<input type="checkbox"/>	

<010>	Study Area Code	300651
<015>	Study Area Name	PATTERSONVILLE TEL
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

Financial Data Summary	
(3027) Revenue	
(3028) Operating Expenses	
(3029) Net Income	
(3030) Telephone Plant In Service(TPIS)	
(3031) Total Assets	
(3032) Total Debt	
(3033) Total Equity	
(3034) Dividends	

<010>	Study Area Code	300651
<015>	Study Area Name	PATTERSONVILLE TEL
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

4005 Rural Broadband Experiment

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations and provide list of newly served community anchor institutions.

Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)

Please address Line 4001 regarding compliance with the Commission's public interest obligations. All RBE participants must provide response to Line 4001.

4001. Recipient certifies that it is offering broadband meeting the requisite public interest obligations consistent with the category in which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates of comparable offerings in urban areas.

Community Anchor Institutions – FCC 14-98 (paragraph 79)

4003a. RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

If yes to 4003A, please provide a response for 4003B.

4003b. Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year. Name of Attached Document Listing Required Information

[illegible]

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2018
-------------------------------------------------------------------	-------------------------------------------------------------------------------------------

<010> Study Area Code	300651
<015> Study Area Name	PATTERSONVILLE TEL
<020> Program Year	2019
<030> Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035> Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2018
-----------------------------------------------------------------	----------------------------------------------------------------------------------

<010> Study Area Code	300651
<015> Study Area Name	PATTERSONVILLE TEL
<020> Program Year	2019
<030> Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035> Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>ICORE Consulting, LLC</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	ICORE Consulting, LLC
Name of Reporting Carrier:	PATTERSONVILLE TEL
Signature of Authorized Officer:	CERTIFIED ONLINE Date: 07/10/2018
Printed name of Authorized Officer:	Aaron Jones
Title or position of Authorized Officer:	President
Telephone number of Authorized Officer:	3308954391 ext.
Study Area Code of Reporting Carrier:	300651 Filing Due Date for this form: 07/16/2018
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	PATTERSONVILLE TEL
Name of Authorized Agent Firm:	ICORE Consulting, LLC
Signature of Authorized Agent or Employee of Agent:	CERTIFIED ONLINE Date: 07/10/2018
Name of Authorized Agent Employee:	Christopher T. Ulmer
Title or position of Authorized Agent or Employee of Agent	Sr. VP
Telephone number of Authorized Agent or Employee of Agent:	6109283903 ext.
Study Area Code of Reporting Carrier:	300651 Filing Due Date for this form: 07/16/2018
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

As an initial point, the Company had no service outages during 2017 which met the FCC's threshold for reporting into the Network Outage Reporting System ("NORS").

The Company engages in preventative maintenance programs which help ensure network reliability in all conditions. This includes regular checks on generators, battery back-up, HVAC infrastructure at central office switches, and tree trimming/removal when trees have the potential to take down telephone lines during events of high wind or heavy snow. Access to critical infrastructure (like central office switches) is limited to essential personnel. Spare equipment is maintained in inventory.

Like most local exchange carriers, the Company's network consists of electronic switching equipment and a network of fiber optics and copper facilities. From a switching standpoint, the Company has one primary switch and smaller switches which are fed by the primary switch. These smaller switches are often referred to as intraexchange remote switches or concentrators. The largest threat to switches is the loss of power. To address this, the Company ensures adequate battery back-up is maintained. For emergency situations which extend beyond the useful life of the battery back-up, the Company uses generators to power the switches. These generators are portable which ensures they can be relocated to any switching center based on the specific needs of each switch. In addition, the Company's office will serve as a Command and Control center. This center is included as a primary location to which continuous power is required.

In cases of emergency, the Company's management has contact information for all employees. Depending upon the scope of the emergency, the Company may call-in as many employees as necessary to provide continual telecommunications service. The Company has access to local and regional construction companies which can be called in to supplement the work force if necessary. When poles are down from emergencies, the Company works with other utilities attached to the same poles to expedite the repair or replacement of the infrastructure.

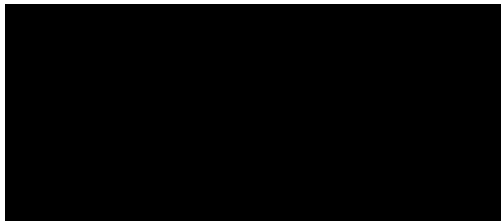
In summation, the Company takes preventative measures to plan for emergency situations and also takes steps to mitigate the risk or duration of such events.

Pattersonville Telephone Company

June 27th 2018

I, Aaron Jones, hereby certify that Pattersonville Telephone Co. pricing of voice services is no more than two standard deviations above the applicable national average urban rate for voice service as specified in the most recent notice issued by the Wireline Commision Bureau.

Respectfully,



Aaron Jones, President

Pattersonville Telephone Company

Item 1210 – Lifeline

Pattersonville Telephone Company does not offer lifeline to its customers.

PATTERSONVILLE TELEPHONE COMPANY AND SUBSIDIARY

**CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

DECEMBER 31, 2017 AND 2016

CONTENTS

	<u>PAGE</u>
INDEPENDENT ACCOUNTANT'S REVIEW REPORT	3
CONSOLIDATED BALANCE SHEETS	4-5
CONSOLIDATED STATEMENTS OF OPERATIONS	6
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS	7
CONSOLIDATED STATEMENTS OF CASH FLOWS	8
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	9-14



GILMORE JASION MAHLER, LTD
INNOVATIVE IDEAS. TRUSTED ADVICE.

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Board of Directors
Pattersonville Telephone Company and Subsidiary
Carrollton, Ohio

We have reviewed the accompanying consolidated financial statements of Pattersonville Telephone Company and Subsidiary, which comprise the consolidated balance sheets as of December 31, 2017 and 2016, and the related consolidated statements of operations, retained earnings and cash flows for the years then ended, and the related notes to the consolidated financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Findlay, Ohio
June 4, 2018

GJMLTD.COM

TOLEDO OFFICE:

1715 INDIAN WOOD CIR, STE 100
MAUMEE OH 43537-4055

PHONE: 419.794.2000
FAX: 419.794.2090

FINDLAY OFFICE:

551 LAKE CASCADES PKWY
PO BOX 1106
FINDLAY OH 45839-1106

PHONE: 419.423.4481
FAX: 419.423.4865

REDACTED - FOR PUBLIC INSPECTION

MEMBER

Approved by the Board of Directors
RSM US Alliance

RSM

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. Member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not RSM International.

PATTERSONVILLE TELEPHONE COMPANY AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Current assets		
Cash and cash equivalents		
Accounts receivable - customers, net of allowance of [REDACTED] in 2017 and [REDACTED] in 2016		
Accounts receivable - NECA		
Accounts receivable - other		
Accounts receivable - related party		
Deferred income taxes		
Total current assets		
Property, plant and equipment		
Land		
Plant and equipment		
Total property, plant and equipment		
Less: accumulated depreciation		
Net property, plant and equipment		
Total assets		

See independent accountant's review report.
The accompanying notes are an integral part of these consolidated financial statements.

PATTERSONVILLE TELEPHONE COMPANY AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Accounts payable		
Accounts payable - taxes		
Accrued wages		
Accounts payable - employee		
Accounts payable - related party		
Total current liabilities		
Long-term liabilities		
Deferred income taxes		
Total long-term liabilities		
Total liabilities		
Stockholder's equity		
Common stock		
Additional paid in capital		
Retained earnings		
Total stockholder's equity		
Total liabilities and stockholder's equity		

See independent accountant's review report.
The accompanying notes are an integral part of these consolidated financial statements.

PATTERSONVILLE TELEPHONE COMPANY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating revenues		
Local service		
Network access		
Internet		
Total operating revenues		
Operating expenses		
Plant specific operations		
Plant nonspecific operations		
Depreciation		
Customer operations		
Corporate operations		
Total operating expenses		
Operating income (loss) before taxes		
Operating taxes		
Provision for deferred income tax		
Other operating taxes		
Total operating taxes		
Net operating income (loss)		
Nonoperating income (expense)		
Interest income		
Interest expense		
Total nonoperating expenses		
Net income (loss)		

See independent accountant's review report.
The accompanying notes are an integral part of these consolidated financial statements.

PATTERSONVILLE TELEPHONE COMPANY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS
For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Retained earnings		
Balance, beginning of year		
Net income (loss)		
Balance, end of year		

See independent accountant's review report.
The accompanying notes are an integral part of these consolidated financial statements.

PATTERSONVILLE TELEPHONE COMPANY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Net income (loss)		
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation		
Deferred federal income taxes		
(Increase) decrease in operating assets:		
Accounts receivable - customers		
Accounts receivable - NECA		
Accounts receivable - other		
Decrease in operating liabilities:		
Accounts payable		
Accounts payable - taxes		
Accrued wages		
Net cash provided by (used in) operating activities		
Cash flows from investing activities		
Purchase of property, plant and equipment		
Accounts receivable - related party		
Accounts payable - employee		
Net cash used in investing activities		
Cash flows from financing activities		
Repayment on note payable - related party		
Net cash used in financing activities		
Net increase (decrease) in cash and cash equivalents		
Cash and cash equivalents at beginning of year		
Cash and cash equivalents at end of year		

See independent accountant's review report.
The accompanying notes are an integral part of these consolidated financial statements.

PATTERSONVILLE TELEPHONE COMPANY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2017 and 2016

Note 1 – Significant accounting policies

Nature of business

Pattersonville Telephone Company (the Company) provides local exchange telephone services to a local exchange in Carroll County, Ohio. The Company also provides interexchange access, billing and collection services for a number of long distance companies. The Company, through its non-regulated operations, offers internet services.

Pattersonville Networks, LLC was started in 2015 and is a wholly-owned subsidiary of the Company. Beginning in 2016, Pattersonville Networks, LLC leases facilities from the Company and provides DSL and fixed wireless broadband internet to customers. All transactions between Pattersonville Networks, LLC and the Company have been eliminated during consolidation.

The Public Utilities Commission of Ohio (the PUCO) regulates the operations and rates charged by the Company for local telephone services. During 2017, the Company elected with the Federal Communications Commission (FCC) to receive support based on the FCC's Alternative Connect America model (A-CAM). This support provides increased funding in the form of network access revenues for the Company. By electing and accepting A-CAM model-based support, the Company is required to meet specific rural broadband deployment obligations over a 10-year term.

Basis of accounting and reporting

The accounting policies of the Company conform to generally accepted accounting principles in the United States of America and reflect practices appropriate to the telephone industry. The accounting records are maintained in accordance with the Part 32 Uniform System of Accounts prescribed by the PUCO and the FCC.

Cash and cash equivalents

The Company considers highly liquid investments with original maturities of ninety days or less to be cash equivalents.

Accounts receivable and revenue

The Company recognizes all revenue earned through the end of the year, regardless of when the long distance companies and subscribers are billed. Amounts due from local exchange telephone subscribers are recorded as telecommunications accounts receivable, while the amounts due from the long distance telephone companies are included in other accounts receivable. The Company provides an allowance for doubtful accounts equal to the estimated uncollectible amounts for customer charges included in customer accounts receivable. The Company's estimate is based on expectations and the probability that customers will not make payments on amounts that have been billed on their respective accounts.

See independent accountant's review report.

PATTERSONVILLE TELEPHONE COMPANY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED
December 31, 2017 and 2016

Note 1 – Significant accounting policies – continued

Property, plant, equipment and depreciation

Telephone plant and equipment in service and under construction is carried at cost. Depreciation of the regulated telephone plant for book purposes is computed at composite rates on the average cost as previously approved by the PUCO. The PUCO revised the depreciation rates as of January 1, 2003, as part of Case No. 03-2023-TP-AAM. When plant is retired, the original cost of the plant, together with removal costs less salvage, is charged to accumulated depreciation, unless the retirement is of an extraordinary or abnormal nature.

Depreciation of non-regulated plant and equipment in service is computed by the straight-line method over estimated useful lives, which range from 7 to 15 years.

For tax purposes, the Company has historically used accelerated depreciation methods, including Internal Revenue Service (IRS) Code Section 168(k) and 179, as allowed under the Internal Revenue Code. These methods produce larger depreciation expenses in the early years of an asset's life. The Company records the resulting tax effect as deferred income taxes.

Income taxes

Income taxes are provided for the tax effects of transactions reported in the consolidated financial statements and consist of taxes currently due, plus deferred taxes. The Company's effective tax rate is higher than what would be expected if the federal statutory rate were applied to income from operations, primarily because of expenses deductible for report purposes that are not deductible for tax purposes.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Principal temporary differences are due to net operating loss carryovers and the use of different depreciation methods for financial accounting and tax purposes.

The Company has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740-10-50-15 to account for uncertainty in income taxes.

The Company files income tax returns in the United States federal jurisdiction and local jurisdictions.

At December 31, 2017 and 2016, there are no unrecognized tax benefits that if recognized would affect the annual effective tax rate.

The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. During the years ended December 31, 2017 and 2016, no interest or penalties were recognized.

See independent accountant's review report.

PATTERSONVILLE TELEPHONE COMPANY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED
December 31, 2017 and 2016

Note 1 – Significant accounting policies – continued

Income taxes – continued

The Company is required to recognize, measure, classify, and disclose in the consolidated financial statements uncertain tax positions taken or expected to be taken in the Company's tax returns. Management has determined that the Company does not have an uncertain tax position. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Company's tax returns will not be challenged by the taxing authorities and that the Company will not be subject to additional tax, penalties, and interest as a result of such challenge. The Company's federal tax returns for the prior three fiscal years remain subject to examination by the IRS.

In December 2017, the US legislature passed the Tax Cut and Jobs Act which permanently revised the federal corporate tax rate from 35% to 21%, effective for the 2018 tax year. In accordance with accounting guidance provided in ASC 740 Accounting for Income Taxes, deferred tax liabilities and assets are adjusted at December 31, 2017 for the effect of a change in tax laws or rates through current operations.

Sales and excise tax

The Company presents the taxes within the scope of FASB ASC 605-45-50 on a net basis.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent accounting pronouncements

Revenue recognition

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (ASU 2014-09), to supersede nearly all existing revenue recognition guidance under accounting principles generally accepted in the United States of America (U.S. GAAP). ASU 2014-09 requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2018. The Company has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on the consolidated financial statements and related disclosures.

See independent accountant's review report.

PATTERSONVILLE TELEPHONE COMPANY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED
December 31, 2017 and 2016

Note 1 – Significant accounting policies – continued

Recent accounting pronouncements – continued

Leases

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842) (ASU 2016-02). ASU 2016-02 will require that a lessee recognize assets and liabilities on the balance sheet for all leases with a lease term of more than twelve months, with the result being the recognition of a right of use asset and a lease liability. Recognition and presentation of expenses will depend on the classification of the lease as either finance or operating. ASU 2016-02 will also require quantitative and qualitative disclosures to supplement the amounts recorded in the financial statements to afford better understanding of the Company's leasing activities. ASU 2016-02 is effective for fiscal years beginning after December 15, 2019 with early adoption permitted and is to be applied retrospectively. The Company is currently evaluating the effect that ASU 2016-02 will have on its consolidated financial statements and related disclosures.

Deferred taxes

In November 2015, the FASB issued ASU 2015-17, Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes (ASU 2015-17). ASU 2015-17 requires that all deferred tax assets and liabilities, along with any related valuation allowance, be classified as noncurrent on the balance sheet instead of the current requirement to separate deferred income tax assets and liabilities into current and noncurrent amounts. ASU 2015-17 is effective for fiscal years beginning after December 15, 2017 with early adoption permitted and is to be applied prospectively or retrospectively. The Company is currently evaluating the effect that ASU 2015-17 will have on its consolidated financial statements and related disclosures but does not expect the adoption of ASU 2015-17 to have a material impact on its consolidated financial statements.

Subsequent events

Subsequent events have been evaluated through June 4, 2018, the date in which the consolidated financial statements were available to be issued.

Note 2 – Cash and cash equivalents

Balances of cash and cash equivalents held at financial banking institutions did not exceed the federally-insured limit of \$250,000 at December 31, 2017 and 2016. The Company regularly monitors the financial condition of the institutions in which it has depository accounts and believes the risks of loss are minimal.

Note 3 – Telecommunications accounts receivable

Revenue earned but not billed as of December 31, 2017 and 2016, was [REDACTED] respectively. Accounts receivable 90 days or more beyond terms at December 31, 2017 and 2016 are [REDACTED] respectively.

See independent accountant's review report.

PATTERSONVILLE TELEPHONE COMPANY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED
December 31, 2017 and 2016

Note 4 – Property, plant and equipment

The costs of major classes of property, plant and equipment as of December 31, and the related depreciation rates as previously approved by the PUCO (for regulated plant) are as follows:

	2017	2016
Motor vehicle		
Other work equipment		
Buildings		
Digital electronic switch		
Digital electronic switching software		
Circuit equipment		
Poles		
Aerial cable – metallic		
Aerial cable – drops		
Buried cable – metallic		
Buried cable – drops		
Non-reg internet equipment		
Non-regulated plant		
Land improvements		
Total property, plant and equipment		

Note 5 – Note payable - related party

Note payable – related party debt consists of a note payable to a related party for the purchase of equipment. The following is a summary of outstanding note payable – related party debt due as of December 31:

	2017	2016
A note payable in the amount of [REDACTED]		
payable in the amount of [REDACTED] a month,		
with an original maturity of May 1, 2015.		
In 2017 the Company paid off the remaining		
balance due.		
Less: current maturities		
Long-term debt		

See independent accountant's review report.

PATTERSONVILLE TELEPHONE COMPANY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED
December 31, 2017 and 2016

Note 6 – Income taxes

The current federal income tax benefit as of December 31, 2017 and 2016 was \$0. The deferred federal income tax expense as of December 31, 2017 was [REDACTED] and the deferred income tax benefit was [REDACTED] as of December 31, 2016. As of December 31, 2017 and 2016, the Company had an available net operating loss carryforward of [REDACTED] respectively, which will begin expiring in 2033.

Amounts for deferred tax assets and liabilities as of December 31 are as follows:

	2017	2016
Deferred tax assets	[REDACTED]	
Deferred tax liabilities		

Note 7 – Transactions with related parties

As discussed in Note 5, the Company incurred a payable to a corporate officer in the amount of [REDACTED] in 2012. As of December 31, 2017 and 2016 the balance of the note payable was [REDACTED] and [REDACTED] respectively. In 2017, the Company loaned the shareholder various amounts throughout the year. As of December 31, 2017 and 2016 the balance of the receivable was [REDACTED] respectively.

Note 8 – Common stock

The Company is authorized to issue [REDACTED] shares of common stock with a par value of [REDACTED] per share. At December 31, 2017 and 2016 there were [REDACTED] shares issued and [REDACTED] outstanding.

See independent accountant's review report.